Google Inc.
1600 Amphitheatre Parkway
Mountain View, CA 94043

Google

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October 4, 2006

YouTube, Inc.
71 E Third Avenue, 2nd Floor
San Mateo, CA 94401
Attn: Chad Hurley and Steven Chen

Dear Chad and Steven:

We are pleased to present you with the attached Term Sheet setting forth the basic terms and conditions of the proposed acquisition of YouTube, Inc. (the "Company") by Google Inc. or one of its subsidiaries ("Google").

The acquisition contemplated in this Term Sheet is subject to Google's legal, financial and business due diligence and to the preparation, execution and delivery of definitive purchase documents. This Term Sheet is non-binding and does not constitute or give rise to any legally binding commitment (nor does it constitute an offer to enter into a legally binding commitment) except for the provisions regarding Public Disclosure, Company No Shop, Termination, Governing Law, and Expenses and Fees. Google and the Company understand that the Term Sheet is intended to set forth the fundamentals of the proposed acquisition, but that the foregoing intentions may be revised and new issues may be presented upon further investigation and due diligence by Google or the Company.

Please sign in the spaces provided below to acknowledge your agreement to the terms set forth in the Term Sheet as the basis on which we will prepare definitive agreements and your agreement to be bound by the Public Disclosure, Company No Shop, Termination, Governing Law, and Expenses and Fees provisions contained in the Term Sheet.

Regards,

GOOGLE INC.

Name: David Drummond
Title: Senior Vice President, Corporate Development

Acknowledged and agreed as of
the date first written above:

YOUTUBE, INC.

By: _____
Name:
Title:

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Term Sheet
For the Acquisition of YouTube, Inc.
By Google Inc.

October 4, 2006

This term sheet ("**Term Sheet**") sets forth the principal terms and conditions of the proposed acquisition ("**Acquisition**") of YouTube, Inc. (the "**Company**") by Google Inc. or one of its subsidiaries ("**Google**").

Structure:

Google will acquire the Company for the consideration set forth below pursuant to a definitive agreement containing representations, warranties, covenants, legal opinions, conditions and indemnities customary for a transaction of this type (the "**Agreement**"). The form of the transaction will be a merger.

The representations regarding the Company will be made by the Company and the principal stockholders of the Company.

Google and the Company intend that the transaction will be a "reorganization" within the meaning of Section of 368(a) of the tax code and that tax counsel of the Company will render an opinion to that effect.

Acquisition Consideration:

Subject to Google's additional due diligence and to the terms and conditions of this Term Sheet, in consideration for all of the issued and outstanding shares, options (including any options assumed or substituted in connection with the Acquisition), warrants and other equity interests of Company, at the closing of the Acquisition (the "**Closing**") Google will issue a number of shares of Google Class A Common Stock ("**Shares**") equal to One Billion Six Hundred Fifty Million Dollars ($1,650,000,000) based on the average daily closing price of the Shares for the thirty (30) days immediately preceding the closing of the Acquisition (the "**Consideration**").

Private Placement; Registration Rights:

The Shares will be issued to the Company stockholders pursuant to the exemption provided by Rule 506 of Regulation D (if applicable) promulgated under the Securities Act of 1933, as amended. Google shall provide Company stockholders with customary registration rights for a transaction of this nature, which will include a covenant by Google to file a resale registration statement on Form S-3 within 30 days of the Closing.

Employee Equity:

Subject to Google's due diligence review, all options to purchase Company capital stock outstanding immediately prior to the Closing, both vested and unvested (each, an "**Option**"), will be assumed by Google and converted into equivalent rights to acquire a number of Shares based on the total exchange ratio applicable to the Acquisition, with such rights continuing to be subject to vesting on current terms. Unvested options and shares that are returned due to the termination of employment prior to the one year anniversary of the Closing will be redistributed across the cap table in a manner to be agreed by the parties.

For the avoidance of doubt, the amounts paid or issued to holders of Company Options will be considered part of the Consideration (i.e., the Consideration paid to the Company stockholders will be reduced to the extent of Share issuances made in respect of the Company Options).

In addition to the acceleration provisions for certain key employees that exist as

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	of the date of this Term Sheet, Google will discuss the provision of certain additional acceleration provisions for other key employees to be agreed by Google and the Company. In addition, to the extent not already provided in the relevant Company documentation, and subject to the acceleration provisions that are agreed to by the parties as discussed above, Google may seek to include suitable retention provisions with respect to the key employees.
Employment Arrangements:	It shall be a condition to Google's obligation to close the Acquisition that certain Company employees to be identified by Google shall have accepted at-will employment with Google and shall have entered into Google's standard Employment Offer Letter and Proprietary Information and Inventions Assignment Agreement.
Non-Competition Agreements:	It shall also be a condition to the Closing that certain Company stockholders to be identified by Google shall have entered into a non-competition agreement, which will prohibit such Company stockholder from competing with the Company's business for a period of two years from the Closing date.
Principal Closing Conditions and Covenants:	The Agreement will contain closing conditions customary for a transaction of this nature, including, without limitation, that no injunction, order or other action will be in effect by any governmental agency prohibiting the Acquisition; all required corporate and governmental consents and authorizations (to be specified in the Agreement) will have been received; the representations and warranties of the parties in the Agreement will have been true and correct in all material respects when made and at Closing; all covenants of the parties in the Agreement required to be satisfied prior to Closing will have been satisfied; and there shall be no material adverse change to Company's business (provided that the definition of "material adverse change" will exclude, among other things, any change arising out of disclosed copyright risks, including lawsuits or the threat thereof). The Agreement will contain covenants customary for a transaction of this nature, including, without limitation, covenants relating to the conduct of the Company's business between signing and closing, and no-shop provisions with no fiduciary out.
Signing Date; Closing Date:	The parties' objective is to execute the Agreement and close the Acquisition as soon as reasonably practicable following the date of this Term Sheet.
Public Disclosure:	Neither party shall issue any statement or communication to any third party (other than to its legal and accounting advisors) regarding the Acquisition, including, if applicable, its termination and the reasons therefor, without the consent of the other party, except that Google may issue any statement or communication to the extent it determines it necessary or appropriate in light of applicable laws, rules and regulations.
Company No Shop:	Until the earlier of (A) thirty (30) days from the date of this Term Sheet, (B) the execution and delivery of the Agreement by all of the parties thereto, or (C) the date on which Google advises the Company in writing that Google does not wish to proceed with discussions in respect of the proposed Acquisition (including by terminating this Term Sheet), neither Company nor any of Company's affiliates shall (nor will they permit, as applicable, any of their officers, directors, members, stockholders, agents, representatives or affiliates to), directly or indirectly, take any of the following actions with any party other than Google and its designees: (i) solicit, initiate, participate in or encourage any negotiations or discussions with respect to any offer or proposal to acquire

any portion of the Company's business and properties or any shares of Company capital stock or any rights to acquire any shares of Company capital stock, whether by merger, purchase of assets, purchase or issuance of shares or rights to acquire shares, tender offer or otherwise, or effect any such transaction, (ii) disclose any information not customarily disclosed to any person concerning Company's business and properties or afford to any person or entity access to its properties, books or records, (iii) assist or cooperate with any person to make any proposal to purchase any shares of Company capital stock or rights to acquire any shares of Company capital stock or any portion of the Company's assets, or (iv) enter into any agreement with any person providing for the acquisition of Company (whether by way of merger, purchase of assets, purchase or issuance of shares or rights to acquire shares, tender offer or otherwise). In the event Company or any of Company's affiliates shall receive any offer or proposal, directly or indirectly, of the type referred to in clause (i), (iii) or (iv) above, or any request for disclosure or access pursuant to clause (ii) above, Company or such affiliate shall immediately inform Google as to the existence of any such offer or proposal and will cooperate with Google by furnishing any information it may reasonably request, including, but not limited to, the name of the party making such offer or proposal, all written documentation relating to such offer or proposal and a summary of the principal terms of any such offer or proposal that is not made in writing.

Termination: This Term Sheet shall terminate upon the written notification of such termination by any party hereto to the other parties hereto; provided that the provisions regarding Public Disclosure, Company No Shop, Termination, Governing Law, and Expenses and Fees shall survive any such termination in accordance with the terms thereof.

Due Diligence: As soon as practicable after the date hereof, Google shall be permitted to make a full and complete investigation of the Company's business, intellectual property, technology, financial, employee and legal affairs. In addition, prior to signing the Agreement, the Company shall provide Google with reasonable access to all members of Company's management. The entering into of the Agreement shall be subject to the satisfactory completion, in Google's sole discretion, of Google's due diligence on Company.

Expenses and Fees: All fees and expenses of Google in connection with the Acquisition will be paid by Google. All fees and expenses of the Company and the Company stockholders in connection with the Acquisition, including broker or finder fees, will be paid by the Company stockholders. Notwithstanding the foregoing, if the Acquisition is completed, Google shall pay up to Two Hundred Fifty Thousand Dollars ($250,000) of the reasonable and documented fees and expenses of the Company's legal counsel incurred in connection with the Acquisition.

Indemnification of Google: Indemnification. The Company and each of the Company stockholders will jointly and severally indemnify and hold Google and its affiliates, and their respective officers, directors, employees and agents, harmless from and against losses or liabilities that may be suffered by Google due to any inaccuracies in or breaches of representations, warranties and covenants or any other provision of the Agreement or any ancillary document. In addition, the Company and each of the Company stockholders will indemnify and hold Google harmless from any losses or liabilities (including legal fees) relating to copyright lawsuits filed against the Company or Google, during the period beginning on the date of this term sheet and ending one year following the Closing, arising out of the Company's business (the "**Copyright Litigation**").

Survival. Subject to the results of Google's due diligence investigation, the representations, warranties and covenants of the Company and the Company stockholders contained in the Agreement shall survive the Closing, with the representations and warranties surviving only for one year after the Closing; provided that:

(a) the representations and warranties related to taxes shall survive until 60 days after the expiration of the applicable statute of limitations;
(b) the representations and warranties related to capitalization shall survive indefinitely; and
(c) claims for fraudulent, intentional or willful breaches of representation and warranties shall survive indefinitely

(collectively, the "**Surviving Representations**").

Cap. The Company stockholders' liability for breaches of the Company representations and warranties will be limited to 12.5% of the aggregate Consideration, except no such cap shall apply with respect to any breaches of the Surviving Representations. The Company stockholders' liability for losses related to the Copyright Litigation will be limited to a drawdown against the escrow, as set forth below.

Basket. Notwithstanding the foregoing, the Company stockholders will not be liable for indemnification until the aggregate amount of losses exceeds One Million Dollars ($1,000,000) (the "**Threshold**"); provided that (a) once the Threshold has been met, the Company stockholders will be liable for the full amount of all losses, including those which comprised any portion of the Threshold, and (b) losses related to breaches of the Surviving Representations shall not be subject to the Threshold.

Escrow. 12.5% of the Consideration otherwise payable at Closing will be deposited in escrow by Google for one year as non-exclusive security for the Company stockholders' indemnity obligations. A portion of the escrow (up to 5% of the Consideration) may be used to reimburse Google for losses related to the Copyright Litigation.

Voting Agreement

Concurrently with the execution of the Agreement, members of management and certain stockholders to be determined will execute an agreement to vote their shares in favor of the Acquisition and to not transfer their shares or any interest therein.

Governing Law:

This Term Sheet and the letter to which it is attached shall be governed by California law without regard to that state's choice of law provisions.

[END OF TERM SHEET]